

Message Text

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ACTION EB-08

INFO OCT-01 ARA-10 ISO-00 XMB-02 FEA-01 FPC-01 L-03

COME-00 CIAE-00 INR-07 NSAE-00 INT-05 OES-07

OMB-01 STR-04 TRSE-00 NSC-05 /055 W

-----004286 080236Z /14

R 072241Z SEP 77

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 4816

INFO AMCONSUL MONTERREY

AMCONSUL MERIDA

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DEPT. PASS EX-IM FOR CRAFTON, MOORE AND BROISE, FEA FOR
WEST AND THOMPSON, FPC FOR CORNELIUS

E.O. 11652: AGDS: 9/31/77

TAGS: ENRG, EALR, BENC, BEXP, MX, JA

SUBJECT: SEPTEMBER 2 MEETING AT PEMEX

1. AMBASSADOR LUCEY AND PETER CARRICO OF U.S. EMBASSY
AND CRAFTON MET WITH JORGE DIAZ SERRANO, DIRECTOR
GENERAL OF PEMEX FRIDAY NIGHT AT 7:15 P.M.

2. DIAZ SERRANO INFORMED THAT EXIMBANK'S BOARD OF
DIRECTORS HAD TENTATIVELY CONSIDERED PIPELINE AND LINE-
OF-CREDIT PROPOSALS AND THAT NAC HAD CONCURRED WITH
BANK'S RECOMMENDATION. BOTH PROPOSALS TO BE REFERRED
TO CONGRESS SOMETIME DURING WEEK OF SEPT. 5 AND PROBABLY
WEDNESDAY OR THURSDAY. AFTER 25 DAYS OF LEGISLATIVE
CONSIDERATION EXIMBANK BOARD TO ACT OFFICIALLY ON BOTH
PROPOSALS.

3. TERMS AND CONDITIONS OF BOTH PROPOSALS PRESENTED
TO DIAZ SERRANO WITH EMPHASIS ON PEMEX AND GOM AS CO-
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OBLIGORS, OR ALTERNATIVES. ONLY COMMENT WAS THAT DIAZ
SERRANO WOULD SEE WHICH GUARANTOR WAS CHEAPER. CRAFTON
SUGGESTED GOM AS CO-OBLIGOR OR GUARANTOR WOULD INVOLVE
NO COST. DIRECTOR SEEMED MOST PLEASED WITH PACKAGES.
SINCE AMOUNT OF CREDIT PROVIDED BY EXIMBANK TOTALS
DOLLARS 590 MILLION, IT WAS STRESSED THAT BANK AND U.S.
GOVERNMENT WERE MOST RESPONSIVE TO NEEDS OF PEMEX AND GOM.

4. ALL PARTIES AT MEETING WERE ASKED NOT REPEAT NOT TO MAKE ANY STATEMENT REGARDING EXTENT OF EXIMBANK SUPPORT UNTIL DOCUMENTS COULD BE PRESENTED TO CONGRESS. UPON PRESENTATION EXIMBANK WOULD TELEX DETAILS TO BOTH PEMEX AND U.S. EMBASSY.

5. DIRECTOR GENERAL WAS CAUTIONED THAT THERE MAY BE TIME LAG BETWEEN AUTHORIZATION TO SIGNING OF CREDIT AGREEMENT TO MAKING CREDIT OPERATIVE. FROM PEMEX'S POINT OF VIEW, TIME IS OF ESSENCE; THEREFORE REQUEST THAT LEGAL STAFF DRAFT CREDIT AGREEMENTS SOONEST.

6. EARLIER IN DAY CALL WAS MADE ON NAFINSA RE INCREASING CFF LINE BY DOLLARS 15/20 MILLION TO SUPPORT MEXICAN CONSTRUCTION COMPANY PURCHASES FOR EQUIPMENT USED ON PIPELINE PROJECT. NAFINSA AGREEABLE AND WILL TELEX EXIMBANK WITH REQUEST TO INCREASE CFF. DIAZ SERRANO INFORMED OF ABOVE MEETING AND WAS PLEASED THAT THIS INDIRECT SUPPORT OF PIPELINE PROJECT WAS AVAILABLE VIA EXIMBANK.

7. WHILE AT NAFINSA CRAFTON INFORMED MARTINEZ THAT BANK CONTINUED TO REQUIRE GUARANTEE OF NAFINSA ON PROPOSED AIRCRAFT PURCHASE BY MEXICANA. THERE WAS NO ARGUMENT AND MARTINEZ ACKNOWLEDGED STATEMENT.

8. AT END OF PEMEX MEETING, DIAZ SERRANO REPEATED PRO-LIMITED OFFICIAL USE

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POSED TERMS AND CONDITIONS OF BOTH CREDITS. CRAFTON ASKED IF DIRECTOR GENERAL FORESAW ANY PROBLEMS WITH ANY ASPECT OF FINANCIAL STRUCTURING. ANSWER WAS QUOTE NO UNQUOTE. DIAZ SERRANO WAS INFORMED THAT LIC. MIGUEL DE LA MADRID OF HACIENDA WOULD BE BRIEFED ON MONDAY TO WHICH DIRECTOR GENERAL OFFERED NO OBJECTION; TO THE CONTRARY, HE ENCOURAGED BRIEFING.

9. DIAZ SERRANO MAY ATTEND IMF MEETING IN WASHINGTON END OF SEPTEMBER. LUNCHEON OR DINNER INVITATION WAS EXTENDED IN CHAIRMAN MOORE'S NAME. DETAILED MEMCON BEING AIRMAILED.

10. PRECEDING MESSAGE WAS PREPARED BY CRAFTON. ON FRIDAY, MEETING WITH TREASURY UNDER-SECRETARY DE LA MADRID DID NOT COME OFF DUE TO SCHEDULING PROBLEMS. SUBSEQUENT CONVERSATIONS WITH HACIENDA OFFICIALS INDICATED CERTAIN RELUCTANCE TO EXTEND GOM GUARANTEE, OR TO HAVE GOM ACT AS CO-GUARANTOR. THIS MATTER SHOULD BE RESOLVED WITHIN NEXT SEVERAL WEEKS. WE UNDERSTAND THAT LOAN PROPOSALS WILL BE SUBMITTED TO CONGRESS WITHOUT THIS ISSUE BEING RESOLVED. THOMPSON

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Message Attributes

Automatic Decaptioning: X
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Control Number: n/a
Copy: SINGLE
Sent Date: 07-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Executive Order: N/A
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